


**U.S. HOUSE OF REPRESENTATIVES**  
**PERMANENT SELECT**  
**COMMITTEE ON INTELLIGENCE**  
WASHINGTON, D.C. 20515

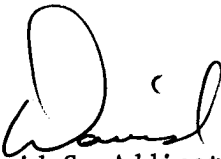
May 12, 1986

STAT

  
Office of Personnel  
CIA

Joe:

Enclosed are the latest drafts of the retirement  
legislation. Please review them and give us any comments  
you may have as quickly as possible.

  
David S. Addington

S.L.C.

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1 TITLE IV--CENTRAL INTELLIGENCE AGENCY RETIREMENT AND RELATED  
2 MATTERS

3 SEC. 401. REFERENCES.

4 The Central Intelligence Agency Retirement Act of 1964  
5 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is  
6 amended--

7 (1) in section 201(c), by inserting "(except section  
8 305(d) of this Act)" after "or any other provisions of  
9 law";

10 (2) by striking out "this Act" each place it  
11 appears in title II except in sections 201 and 264, and  
12 inserting in lieu thereof "this title"; and

13 (3) by inserting "under this title" after "payable  
14 from the fund" each place it appears in title II.

15 SEC. 402. CONTRIBUTIONS TO THE CENTRAL INTELLIGENCE AGENCY  
16 RETIREMENT AND DISABILITY SYSTEM.

17 Section 211 of the Central Intelligence Agency Retirement  
18 Act of 1964 for Certain Employees is amended--

19 (1) by striking out "Seven" in the first sentence  
20 of subsection (a) and inserting in lieu thereof "Except  
21 as provided in subsection (d), seven"; and

22 (2) by adding at the end thereof the following new  
23 subsection (d):

24 "(d)(1) In the case of a participant who was a  
25 participant subject to this title before January 1, 1984, and

079920.193

S.L.C.

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1 whose service--

2       “(A) is employment for the purposes of title II of  
3 the Social Security Act and chapter 21 of the Internal  
4 Revenue Code of 1954, and

5       “(B) is not creditable service for any purpose under  
6 title III of this Act or chapter 84 of title 5, United  
7 States Code,

8 there shall be deducted and withheld from the basic pay of  
9 the participant under this subsection during any pay period  
10 only the amount computed pursuant to paragraph (2).

11       “(2) The amount deducted and withheld from the basic pay  
12 of a participant during any pay period pursuant to paragraph  
13 (1) shall be the excess of--

14       “(A) the amount determined by multiplying the  
15 percent applicable to the participant under subsection  
16 (a) by the basic pay payable to the participant for such  
17 pay period, over

18       “(B) the amount of the taxes deducted and withheld  
19 from such basic pay under section 3101(a) of the Internal  
20 Revenue Code of 1954 (relating to old-age, survivors, and  
21 disability insurance) for such pay period.”.

22 SEC. 403. OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY  
23 BENEFITS.

24 Section 221 of the Central Intelligence Agency Retirement  
25 Act of 1964 for Certain Employees is amended by adding at the

079920.193

S.L.C.

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1 end thereof the following new subsection:

2     “(p)(1) Notwithstanding any other provision of this  
3 title, except as provided in paragraph (2), the annuity  
4 payable under this title to an individual described in  
5 section 301(c)(1) shall (beginning with the month in which  
6 such individual attains the minimum age for old-age insurance  
7 benefits under title II of the Social Security Act) be equal  
8 to the amount determined in the same manner provided in  
9 section [8349] of title 5, United States Code.

10     “(2) This section shall not apply with respect to any  
11 annuity, or survivor annuity, which is based on the service  
12 of an individual described in section 301(c)(2).”.

13 SEC. 404. THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS  
14             IN THE CENTRAL INTELLIGENCE AGENCY RETIREMENT  
15             AND DISABILITY SYSTEM.

16     Part K of title II of the Central Intelligence Agency  
17 Retirement Act of 1964 for Certain Employees is amended by  
18 adding at the end thereof the following new section:

19     “THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS IN THE  
20 CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

21     “Sec. 293. (a) Participants in the Central Intelligence  
22 Agency Retirement and Disability System shall be deemed to be  
23 employees for the purposes of section [8350] of title 5,  
24 United States Code.

25     “(b) Section 305 of this Act shall apply with respect to

079920.193

S.L.C.

4

1 contributions made by officers and employees of the Agency to  
2 the Thrift Savings Fund under section [8350] of title 5,  
3 United States Code, and to earnings attributable to the  
4 investment of such contributions.''.  
5

6 SEC. 405. PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT  
7 SYSTEM.

8 The Central Intelligence Agency Retirement Act of 1964  
9 for Certain Employees is amended by adding at the end thereof  
10 the following:

11 ''TITLE III--PARTICIPATION IN THE FEDERAL EMPLOYEES'  
12 RETIREMENT SYSTEM

13 ''APPLICATION OF FEDERAL EMPLOYEES' RETIREMENT SYSTEM TO  
14 AGENCY EMPLOYEES

15 ''Sec. 301. (a) Except as provided in subsection (b) and  
16 (c), all officers and employees of the Agency, any of whose  
17 service after December 31, 1983, is employment for the  
18 purpose of title II of the Social Security Act and chapter 21  
19 of the Internal Revenue Code of 1954, shall be subject to  
20 chapter 84 of title 5, United States Code.

21 ''(b) Participants in the Central Intelligence Agency  
22 Retirement and Disability System who were participants in  
23 such system on or before December 31, 1983, and who have not  
24 had a break in service in excess of 1 year since that date,  
25 are not subject to chapter 84 of title 5, United States Code,  
without regard to whether they are subject to title II of the

079920.193

S.L.C.

5

1 Social Security Act.

2       “(c)(1) The provisions of chapter 84 of title 5, United  
3 States Code, shall not apply with respect to any individual  
4 who separates, or who has separated, from Federal Government  
5 service after--

6           “(A) having been an employee subject to title II of  
7 this Act; and

8           “(B) having completed at least 5 years of civilian  
9 service creditable under title II of this Act (determined  
10 without regard to any deposit or redeposit requirement  
11 under subchapter III of chapter 83 of title 5, United  
12 States Code, or under title II of this Act, or any  
13 requirement that the individual become subject to such  
14 subchapter or to title II of this Act after performing  
15 the service involved).

16       “(2) Paragraph (1) shall not apply with respect to an  
17 individual who has elected under title III of the Federal  
18 Employees' Retirement System Act of 1986 to become subject to  
19 chapter 84 of title 5, United States Code, to the extent  
20 provided in title III of such Act.

21       “(3) For purposes of section [8401(11)(B)(ii)] of title  
22 5, United States Code, an individual described in paragraph  
23 (1) shall be deemed to be an individual excluded under  
24 section [8402(b)] of title 5, United States Code.

25       “(d) The application of the provisions of chapter 84 of

079920.193

S.L.C.

6

1 title 5, United States Code, to officers and employees  
2 referred to in subsection (a) shall be subject to the  
3 exceptions and special rules provided in this title. Any  
4 provision of such chapter which is inconsistent with a  
5 special rule provided in this title shall not apply to such  
6 officers and employees.

7 ``SPECIAL RULES RELATING TO SECTION 203 CRITERIA EMPLOYEES

8 ``Sec. 302. (a) Except as otherwise provided in this  
9 section, in the application of chapter 84 of title 5, United  
10 States Code, to an officer or employee of the Agency who is  
11 subject to such chapter and is designated by the Director  
12 under the criteria prescribed in section 203, such officer or  
13 employee shall be treated for purposes of determining such  
14 officer's or employee's retirement benefits and obligations  
15 under such chapter as if the officer or employee were a law  
16 enforcement officer (as defined in section [8401(17)] of  
17 title 5, United States Code).

18 ``(b) The provisions of sections 233 and 235 of this Act  
19 shall apply to officers and employees referred to in  
20 subsection (a), except that the retirement benefits shall be  
21 determined under the provisions of chapter 84 of title 5,  
22 United States Code.

23 ``(c)(1) Except as provided in paragraph (2), section 271  
24 of this Act shall apply to an officer or employee referred to  
25 in subsection (a).

079920.193

S.L.C.

7

1       “(2) Contributions during recall service shall be made  
2 as provided in section [8422] of title 5, United States Code.

3       “(3) When an officer or employee recalled under this  
4 subsection reverts to a retired status, the annuity of such  
5 officer or employee shall be redetermined under the  
6 provisions of chapter 84 of title 5, United States Code.

7       “SPECIAL RULES FOR OTHER EMPLOYEES FOR SERVICE ABROAD

8       “Sec. 303. (a) Notwithstanding any provision of chapter  
9 84 of title 5, United States Code, the annuity under  
10 subchapter II of such chapter of a retired officer or  
11 employee of the Agency who is not designated under section  
12 203 of this Act and has served abroad as an officer or  
13 employee of the Agency shall be computed as provided in  
14 subsection (b).

15       “(b)(1) The portion of the annuity relating to service  
16 abroad performed on or after the effective date of the  
17 Federal Employees' Retirement System Act of 1986 shall be  
18 computed as provided in section [8415(d)] of title 5, United  
19 States Code.

20       “(2) The portions of the annuity relating to other  
21 service in the Agency shall be computed as provided in the  
22 provision of section [8415] of such title that is applicable  
23 to such service under the conditions prescribed in chapter 84  
24 of such title.

25       “SPECIAL RULES FOR FORMER SPOUSES



079920.193

S.L.C.

8

1        ``Sec. 304. (a) Section [8445] of title 5, United States  
2 Code, and [subsections (d) and (e) of section 8435] of such  
3 title shall not apply in the case of an officer or employee  
4 of the Agency who is subject to chapter 84 of title 5, United  
5 States Code, who has a former spouse (as defined in section  
6 204(b)(4) of this Act). Any reference in such chapter to a  
7 survivor annuity for a former spouse, as applied to such  
8 officer or employee, shall be deemed to refer to a survivor  
9 annuity for a former spouse of such officer or employee  
10 provided under subsection (c) of this section.

11        `` (b) Section 221(b)(1)(C) of this Act shall apply to a  
12 survivor annuity under subsection (c)(2) of this section.

13        `` (c) Except as otherwise provided in this section, the  
14 following provisions of title II of this Act shall apply in  
15 the case of an officer or employee of the Agency who is  
16 entitled to receive an annuity under subchapter II, III, or V  
17 of chapter 84 of title 5, United States Code, in the same  
18 manner as such provisions apply in the case of an officer or  
19 employee of the Agency under title II:

20            `` (1) Section 222, except that subsections (b) and  
21 (c) of such section shall be subject to a waiver under  
22 subsection (b) of this section.

23            `` (2) Subsections (a), (b)(1), and (b)(3) of section  
24 223 and the first sentence of subsection (c) of such  
25 section.

079920.193

S.L.C.

9

1       “(3) Subsections (c) and (d) of section 234 (in the  
2 case of any lump-sum payment under section [8424(a)] of  
3 title 5, United States Code, and any payment under  
4 subsection (b)(3), (b)(4), (c)(3), (c)(4), or (d) of  
5 section [8433] of such title).

6       “(4) Section 263(b).

7       “(d) In the application of section 222(a) under  
8 subsection (c)(1)--

9       “(1) the reference in paragraph (4)(B) of such  
10 section to section 271, 272, or 273 of this Act shall be  
11 deemed to refer to any similar provision of law  
12 applicable to such officer or employee for purposes of  
13 chapter 84 of title 5, United States Code;

14       “(2) the amount of the reduction in the salary of a  
15 recalled or reinstated officer or employee under such  
16 paragraph (4)(B) shall be only the amount by which the  
17 annuity under subchapter II or V of chapter 84 of title  
18 5, United States Code, would have been reduced; and

19       “(3) amounts to be deposited in the Treasury of the  
20 United States pursuant such paragraph (4)(3) shall be  
21 credited to the Civil Service Retirement and Disability  
22 Fund.

23       “(e) In the application of subsections (b) and (c) of  
24 section 222 under subsection (c)(2)--

25       “(1) the percentage prescribed in subsections

079920.193

S.L.C.

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1 (b)(1)(A), (b)(1)(B), (b)(4)(A), and (c)(2) of such  
2 section shall be deemed to be 50 percent;

3 "(2) for the purpose of computing the amount of the  
4 former spouse's annuity under subsection (b)(1) of such  
5 section and the maximum amount of survivor annuities  
6 under subsection (b)(4) or (c)(2) of such section, the  
7 full amount of the deceased officer's or employee's  
8 annuity--

9 "(A) in the case of an annuity under subchapter  
10 II or V of chapter 84 of title 5, United States Code,  
11 is the amount of such annuity computed without regard  
12 to the reduction for survivor annuities; and

13 "(B) in the case of an annuity under subchapter  
14 III of such chapter, is the amount of such annuity  
15 computed on an actuarial basis as provided in such  
16 subchapter taking into account the application of  
17 section 222(b)(1) in the case of such annuity;

18 "(3) an election under subsection (b)(5)(B) of such  
19 section shall apply with respect to a survivor annuity  
20 for a spouse under section [8442] of title 5, United  
21 States Code;

22 "(4) the reference in subsection (c)(2) of such  
23 section to a survivor annuity for a spouse shall be  
24 deemed to refer--

25 "(A) in the case of an annuity under subchapter

Ø79920.193

S.L.C.

11

1 II or V of chapter 84 of title 5, United States Code,  
2 to the survivor annuity provided in section [8442] of  
3 title 5, United States Code; and

4 `` (B) in the case of an annuity under subchapter  
5 III of such chapter, to the survivor annuity  
6 described in section [8435(c)] of such title; and

7 `` (5) the fund referred to in subsections (c)(3)(A)  
8 and (c)(3)(B) of such section shall be deemed to refer--

9 `` (A) in the case of an annuity under subchapter  
10 II or V of chapter 84 of title 5, United States Code,  
11 to Civil Service Retirement and Disability Fund; and

12 `` (B) in the case of an annuity under subchapter  
13 III of such chapter, the Thrift Savings Fund  
14 established by section [8437] of such title.

15 `` (f) A reduction in the annuity of an officer or  
16 employee of the Agency to provide a survivor annuity or  
17 survivor annuities under this section shall be computed as  
18 provided in section [8419(a)] of title 5, United States Code.

19 `` (g) The entitlement of a former spouse to a portion of  
20 an annuity of a retired officer or employee of the Agency  
21 under this section shall extend to any annuity supplement  
22 that such officer or employee is entitled to receive under  
23 section [8421] of title 5, United States Code.

24 `` ADMINISTRATIVE PROVISIONS

25 `` Sec. 305. (a)(1) Notwithstanding any provision of

079920.193

S.L.C.

12

1 chapter 84 of title 5, United States Code, the Director may,  
2 to the extent considered appropriate by the Director--

3       “(A) administer the provisions of such chapter with  
4 respect to officers and employees of the Central  
5 Intelligence Agency; and

6       “(B) perform the functions and duties (including  
7 authorizing and directing disbursements from the Civil  
8 Service Retirement and Disability Fund and from the  
9 Thrift Savings Fund, but not including investing sums in  
10 the Thrift Savings Fund) which would otherwise be  
11 performed with respect to such officers and employees by  
12 the Director of the Office of Personnel Management or the  
13 Executive Director of the Federal Retirement Thrift  
14 Investment Board under such chapter.

15       “(2) The Director, in consultation with the Executive  
16 Director of the Federal Retirement Thrift Investment Board,  
17 may--

18       “(A) maintain exclusive records relating to  
19 elections, contributions, and accounts under the Thrift  
20 Savings Plan provided in subchapter III of chapter 84 of  
21 title 5, United States Code, in the case of officers and  
22 employees of the Agency;

23       “(B) provide for investments under the Thrift  
24 Savings Plan to be made and accounted for by such  
25 Executive Director in aggregate amounts for such officers

079920.193

S.I.C.

13

1 and employees; and

2       “(C) make the necessary disbursements from, and the  
3 necessary allocations of earnings, losses, and charges  
4 to, individual accounts of such officers and employees  
5 under the Thrift Savings Plan.

6       “(b) The Executive Director of the Federal Retirement  
7 Thrift Investment Board may not exercise authority under  
8 chapter 84 of title 5, United States Code, in the case of  
9 officers and employees of the Agency to the extent that the  
10 Director exercises authority provided in subsection (a).

11       “(c) The Director of the Office of Personnel Management  
12 and the Executive Director of the Federal Retirement Thrift  
13 Investment Board shall furnish such information and services  
14 to the Director of Central Intelligence as the Director of  
15 Central Intelligence determines necessary to carry out this  
16 section.

17       “(d)(1) Section 201(c) of this Act shall apply in the  
18 administration of chapter 84 of title 5, United States Code.

19       “(2) Notwithstanding paragraph (1), section [8461(e)] of  
20 title 5, United States Code, shall apply with respect to  
21 officers and employees of the Agency who are not participants  
22 in the Central Intelligence Agency Retirement and Disability  
23 System and are not designated under section 302(a) of this  
24 Act.

25       “(e) Sections [8439(b)] and [8474(c)(4)] of title 5,

079920.193

S.L.C.

14

1 United States Code, shall be applied with respect to  
2 information relating to officers and employees of the Agency  
3 in a manner that protects intelligence sources, methods, and  
4 activities.

5                   ``REGULATIONS

6       ``Sec. 306. (a) The Director, in consultation with the  
7 Director of the Office of Personnel Management and the  
8 Executive Director of the Federal Retirement Thrift  
9 Investment Board, shall prescribe in regulations appropriate  
10 procedures to carry out this title.

11       ``(b) The regulations shall include procedures for (1)  
12 the Director of the Office of Personnel Management to inspect  
13 and audit disbursements from the Civil Service Retirement and  
14 Disability Fund, and (2) the Executive Director of the  
15 Federal Retirement Thrift Investment Board to inspect and  
16 audit disbursements from the Thrift Savings Fund.

17       ``(c) The Director shall submit the regulations  
18 prescribed under subsection (a) to the Select Committee on  
19 Intelligence of the Senate and the Permanent Select Committee  
20 on Intelligence of the House of Representatives before the  
21 regulations take effect.

22                   ``TRANSITION PROVISIONS

23       ``Sec. 307. (a) The Director shall issue regulations  
24 providing for the transition from the Central Intelligence  
25 Agency Retirement and Disability System to the Federal

079920.193

S.L.C.

15

1 Employees' Retirement System provided in chapter 84 of title  
2 5, United States Code, in the same manner as provided in  
3 title III of the Federal Employees' Retirement System Act of  
4 1986.

5 "(b) The Director shall submit the regulations  
6 prescribed under subsection (a) to the Select Committee on  
7 Intelligence of the Senate and the Permanent Select Committee  
8 on Intelligence of the House of Representatives before the  
9 regulations take effect."

10 SEC. 406. ADMINISTRATION OF THE CIVIL SERVICE RETIREMENT AND  
11 DISABILITY SYSTEM FOR EMPLOYEES OF THE CENTRAL  
12 INTELLIGENCE AGENCY.

13 Section 8347 of title 5, United States Code, is amended  
14 by adding at the end thereof the following new subsection  
15 (n):

16 "(n)(1) Notwithstanding any other provision of this  
17 subchapter, the Director of Central Intelligence may, to the  
18 extent considered appropriate by such Director--

19 "(A) administer the provisions of this subchapter  
20 with respect to officers and employees of the Central  
21 Intelligence Agency; and

22 "(B) perform the functions and duties (including  
23 authorizing and directing disbursements from the Civil  
24 Service Retirement and Disability Fund) which would  
25 otherwise be performed with respect to such officers and



079920.193

S.L.C.

16

1 employees by the Office of Personnel Management or the  
2 Director of such office under this subchapter.

3 `` (2) The Director of the Office of Personnel Management  
4 may not exercise authority under this subchapter in the case  
5 of officers and employees of the Central Intelligence Agency,  
6 to the extent that the Director of Central Intelligence  
7 exercises authority provided in paragraph (1) of this  
8 subsection.

9 `` (3) The Director of the Office of Personnel Management  
10 shall furnish such information and services to the Director  
11 of Central Intelligence as the Director of Central  
12 Intelligence determines necessary to carry out paragraph (1)  
13 of this subsection.

14 `` (4)(A) The Director of Central Intelligence, in  
15 consultation with the Director of the Office of Personnel  
16 Management, shall prescribe in regulations appropriate  
17 procedures to carry out this subsection.

18 `` (B) The regulations shall provide procedures for the  
19 Director of the Office of Personnel Management to inspect and  
20 audit disbursements from the Civil Service Retirement and  
21 Disability Fund.

22 `` (C) The Director of Central Intelligence shall submit  
23 the regulations prescribed under subparagraph (A) of this  
24 paragraph to the Select Committee on Intelligence of the  
25 Senate and the Permanent Select Committee on Intelligence of

079920.193

S.L.C.

17

1 the House of Representatives before the regulations take  
2 effect.

3 `` (5)(A) Section 221(c) of the Central Intelligence  
4 Agency Retirement Act of 1964 for Certain Employees shall  
5 apply in the administration of this subchapter under this  
6 subsection.

7 `` (B) Notwithstanding subparagraph (A) of this paragraph,  
8 section 8347(d) of this title shall apply with respect to  
9 officers and employees of the Central Intelligence Agency who  
10 are participants in the Civil Service Retirement and  
11 Disability System.``.

12 SEC. 407. SPECIAL RETIREMENT ACCRUAL FOR OTHER INTELLIGENCE  
13 PERSONNEL.

14 (a) National Security Agency Personnel.--Section  
15 9(b)(1)(B) of the National Security Agency Act of 1959 (50  
16 U.S.C. 402 note) is amended by inserting before the semicolon  
17 the following: `` (including special retirement accrual as  
18 provided in section 303 of the Central Intelligence Agency  
19 Retirement Act of 1964 for Certain Employees (50 U.S.C. 403  
20 note))``.

21 (b) Defense Intelligence Agency Personnel.--Section  
22 1605(a) of title 10, United States Code, is amended by adding  
23 at the end thereof the following: ``The Secretary may also  
24 provide to any such civilian personnel who are subject to  
25 chapter 84 of title 5, special retirement accrual benefits in

079920.193

S.L.C.

18

- 1 the same manner provided for certain officers and employees
- 2 of the Central Intelligence Agency in section 303 of the
- 3 Central Intelligence Agency Retirement Act of 1964 for
- 4 Certain Employees (50 U.S.C. 403 note)''.